

**Illinois Department of Revenue
Regulations**

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| Title 86 Part 435 Section 435.190 Records; Audits |
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TITLE 86: REVENUE

**PART 435
CHARITABLE GAMES ACT**

Section 435.190 Records; Audits

a) Charitable games event checking account

1) Each sponsoring organization must establish a separate charitable games event checking account into which it must deposit the following funds:

A) The entire amount of admission fees collected prior to the day of the charitable games event, or the first day of events held on successive days;

B) The entire gross proceeds collected on the day(s) of the charitable games event(s), less only any cash prizes paid.

2) All expenditures of funds deposited in the charitable games event checking account must be by checks, having consecutive numbers, payable to a specific person or organization. No checks shall be written to "cash". All checks written on this account must be for some lawful purpose of the sponsoring organization.

b) Licensees must keep all records and receipts which this Part requires licensees to maintain, whether or not such records and receipts must be filed with the Department. Organizations licensed to conduct charitable games shall keep any and all tax returns, contracts with providers and suppliers, and complete and accurate records issued to participants as set forth under Section 435.160(b)(1) of this Part. Suppliers shall keep all contracts with licensed organizations, lists of all charitable games equipment offered for sale, lease, loan, or distribution to organizations licensed to conduct charitable games, and copies of the licenses of organizations licensed to conduct charitable games. Providers shall keep all contracts with licensed organizations and copies of the licenses of organizations licensed to conduct charitable games. Licensees shall keep any record or receipt pertaining to any charitable games event for at least three years after the event. All such records shall be available for inspection by representatives of the Department during reasonable business hours. Any and all records of any licensee shall be subject to an audit by the Department without notice, performed at the premises where the charitable games event is conducted or at the office of the person or organization where the records are located. In the event of an audit by the Department, the person or organization being audited shall provide all such records, provide a place where such audit may be performed, and provide any requested information relevant to the conduct of the event.

c) When the Department has information indicating that any person or organization licensed under the Act has not paid the full amount of tax due, has not provided the Department with accurate or complete information concerning revenues from charitable games events, or is using proceeds from charitable games events in an unlawful manner, *the Department may require the licensee to obtain from an Illinois certified public accounting firm, at the licensee's own expense, a certified and unqualified financial statement and verification of records of the licensee* (Section 10 of the Act). If required, this statement must be submitted to the Department within 90 days after notice is received by the licensee. *Failure to comply with this requirement may result in suspension or revocation of the licensee's license and forfeiture of all proceeds* (Section 10 of the Act).

(Source: Amended at 21 Ill. Reg. 3978, effective March 14, 1997)